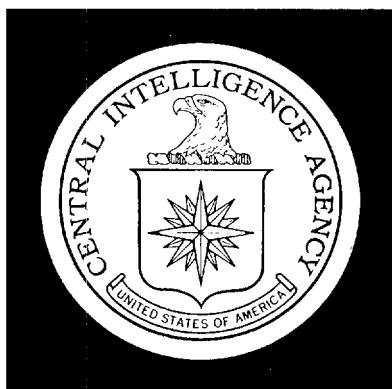


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State Dept. review completed

3 December 1970

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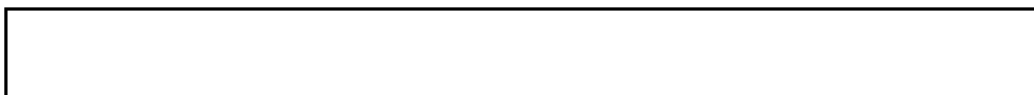
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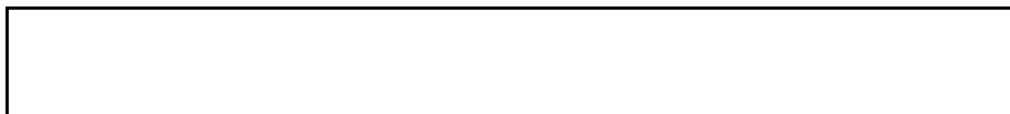
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WARSAW PACT - BERLIN: East German authorities kept up their harassment of access routes to West Berlin even as the summit meeting of Warsaw Pact leaders opened yesterday in East Berlin.

The stringency of the imposed slowdown of German traffic has fluctuated since it began last weekend. East German authorities initially cited a meeting in West Berlin of representatives of the Federal Republic's Christian Democratic Party (CDU) as being the cause. On 2 December, however, East German officials at two checkpoints indicated that the harassment will continue until 6 December because of a scheduled meeting of the rightist National Democratic Party in West Berlin on that date.

The main reason behind Pankow's decision to delay access to Berlin could be East German party boss Ulbricht's desire to dramatize his regime's capabilities at a time when the Warsaw Pact countries are attempting to reconcile their differences with Pankow on the next step in their development of mutual relations with Bonn. At the same time, Ulbricht understandably has some Soviet support for his action inasmuch as Moscow protested the CDU meeting and has insisted that extreme rightist political activities are impermissible.

Several other West German visits to Berlin are scheduled for the near future, including one by Federal Republic President Heinemann on 6-8 December, well after the end of the Warsaw Pact meeting. Depending on the results of the Warsaw Pact leaders' meeting, the harassment might continue until Heinemann returns to Bonn.

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SPAIN: The kidnaping of the West German honorary consul in San Sebastian on Tuesday apparently was meant to embarrass the government over the trial of 16 Basque militants, scheduled to begin today.

The extremist Basque Nationalist Movement (ETA) is generally assumed to be responsible for the kidnaping, although there is no hard evidence. An outside possibility is that right-wing extremists could have engineered it in an attempt to force harsher repression of Basque terrorists.

Petitions have been addressed to the government protesting both the fact that the trial is in a military rather than a civil court and the harshness of the penalties asked. Six of the men face a possible death sentence on charges of planning or carrying out the assassination of the chief of the security police in San Sebastian in August 1968. The other defendants, including two Basque priests, face long jail terms on charges of involvement in the murder, terrorism, and protest activities on the part of ETA.

Labor and opposition sources were reportedly planning a general strike in the Basque Country to coincide with the opening of the trial, and Basque priests and Madrid University students have staged protest demonstrations.

The trial is a testing ground between hardline and moderate elements in Spain and was postponed several times, most recently to avoid embarrassment to Foreign Minister Lopez Bravo during his visit to Bonn, where demonstrations by leftists were feared. The military want to come down hard on protest activities in the Basque area, while others in the government are concerned with the impact of the trial on Spain's image abroad and its campaign for closer ties with Europe.

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GUATEMALA: [Government action against the left is likely to provoke retaliatory attacks.]

[In the last week, two well-known Marxist lawyers were the victims of assassination attempts, and five other people were murdered. Julio Camey Herrera, who was associated with the Communist-influenced Arbenz government during the 1950s was killed, and Alfonso Bauer Paiz, a law professor, was shot and seriously wounded. Both men had been marked for assassination by extreme rightists for some time. High-level advisers to President Arana told US Embassy officials three weeks ago that something should be done about Bauer and other "mentors of the terrorists." At that time Arana was resisting illegal action against the left, but he may now have succumbed to the strong pressure from his counselors.]

[The left is reacting strongly to the shootings and the government's unprecedented search of three universities last week. The rector of the University of San Carlos has condemned the government's actions and has declared that the "battle lines are drawn." The leftist-oriented press association is similarly outraged over the strict censorship requirements and over the disappearance of several of its members. One of the missing journalists is a high-level terrorist leader who was captured by the government on 20 November.]

[Leftist terrorists have been relatively inactive since the state of siege was imposed on 13 November [redacted]]

[redacted] The recent government actions are likely to add to their determination to even the score.]

[redacted]

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CEYLON: Press circles are concerned over provisions included in emergency regulations currently in force that could be used to curtail freedom of the press.

On 26 November the government extended for another month emergency regulations that had been promulgated on 26 October to ensure the orderly enforcement of a new demonetization plan. The original enactment of the regulations aroused little concern because similar ones have frequently been invoked by previous governments. A revised version of the regulations, however, printed two days after they were initially promulgated, included provisions allowing the government to prevent or restrict the publication of news that could be "prejudicial to the interests of public security" or would incite people to attempt to "coerce the government."

These special features went largely unnoticed until the recent extension, when one large newspaper chain, worried over the implications for freedom of the press, called public attention to them. A second large publishing house presumably feels secure because it has supported the government, and the third major publishing group may be afraid to speak out because several of its directors are already under government investigation because of alleged circumvention of foreign exchange laws and income tax evasion.

So far Mrs. Bandaranaike's leftist government has not invoked the special provisions, and her coalition's election manifesto promised that freedom of the press would be maintained. During her previous administration, however, members of her government obtained her permission to introduce a bill providing for the takeover of a newspaper chain--the one now under investigation--that had severely criticized her policies. This repressive

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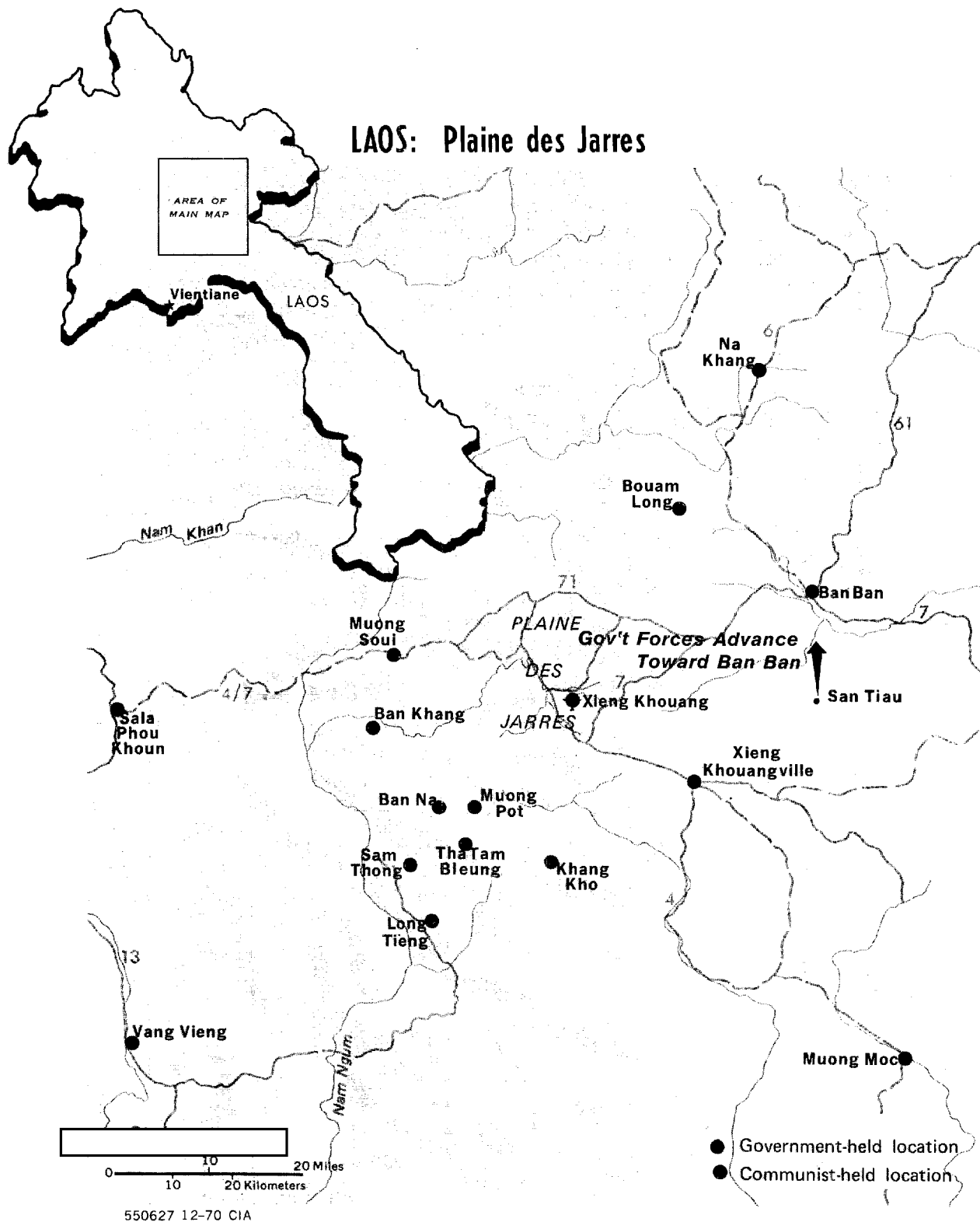
proposal caused several moderate members of her coalition in parliament to desert her, helping bring down her government. This experience may cause Mrs. Bandaranaike to be hesitant about attempting anything as blatant as another takeover. Criticism of her government is increasing, however, and use of the emergency regulations today might be more acceptable to the public. Some indication of her plans may be revealed later this month when the present regulations must again be extended or allowed to expire.



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NOTES

25X1 LAOS: Government troops in the Ban Ban area are continuing to advance against little opposition. Irregular forces moving toward Ban Ban from the south secured their initial objective, the San Tiau airstrip, on 1 December. An additional 350 troops have been flown in to San Tiau, raising government strength in this area to 1,310. So far the enemy appears to be reacting with local defense forces, and casualties among the irregulars have been minimal.

25X1 PERU: Anaconda has decided to relinquish its concession to develop the Cerro Verde copper deposit in southern Peru, according to company representatives. The US company's decision was based on the government's refusal to accept less than 51 percent control of the enterprise and its unwillingness to permit Anaconda to manage the concession. Anaconda had insisted on nongovernmental managerial control until after the private partners had recovered their original investment.

25X1 URUGUAY: The recently authorized wage increase of more than 20 percent for workers in the private sector may jeopardize the government's previously successful anti-inflation policy. Although this raise is the first since December 1969, it exceeds the increase in the cost of living registered since then by far more than the gain in productivity. The Uruguayan peso, seriously weakened during the past four months by capital outflows and mediocre export performance, will be put under still greater pressure by this move.

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NATIONAL INTELLIGENCE ESTIMATE

The United States Intelligence Board on 2 December 1970 approved the following national intelligence estimate:

NIE 42-70

"The Changing Scene in South
Korea"

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